

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ROUTE SLIP

Date 8/30/04

TO	DESTINATION	FROM	PERSON OR UNIT	INITIAL
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	Personnel			
	Public Works			
	Stadium Authority			
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1	State Procurement Office - A			Ry
	SPO - C			
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	Survey			NS
	Systems & Procedures			
2	Dept. of Health			

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REMARKS: RE: Request for Exemption, PEH 05-08, DOH/CAMHD

Recommend return without action. The chief procurement officer cannot exempt procurements that have been exempted from Chapter 103F.

DOH stated in its request "...the United States District Court authorized and ordered the head of the Department of Education and the Department of Health to waive requirements of chapter 103D and 103F whenever necessary to implement appropriate services..." Due to the court order, the head of the Department of Health was authorized to exempt procurements pursuant to section 103F-101(a)(3) which states that chapter 103F shall not apply to "...Transactions expressly exempt from the requirements of this chapter..."

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103F, HRS

4 AUG 16 P 3:09

To: Chief Procurement Officer

From: Department of Health, Child and Adolescent Mental Health Division
Department/Division/Agency

ADMINISTRATION
STATE PROCUREMENT OFFICE
HAWAII

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

Title and description of health and human service(s):

The purpose of this request is to pay for interpreting service for a hearing impaired Felix Class youth living in a Department of Health residential facility. The interpreting service was necessary in order for the youth to benefit from the therapeutic and education related services.

Provider Name: Terpreting Connection	Total Contract Funds: \$27,534.12	Term of Contract:
Provider Address: P.O. Box 1380 Kaneohe, Hawaii 96744-1380	Contract Funds per Year (as applicable).	From: 3/1/01 To: 3/26/02

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

While under the Felix Consent Decree (FCD), the United States District Court authorized and ordered the head of the Department of Education and the Department of Health to waive the requirements of chapter 103D and 103F whenever necessary to implement appropriate services to support programs for Felix eligible children with disabilities. To ensure compliance with the FCD, the Child and Adolescent Mental Health Division (CAMHD) established a flexible funding mechanism or Flex Fund to pay for services for youth and families in need of immediate but difficult to anticipate traditional and non-traditional services not available through other levels of care. This enabled the State to provide a rapid and effective response to rare and unanticipated needs of youth and families and to avoid adverse and costly court sanctions.

Starting from March 1, 2001 through March 26, 2002, the CAMHD Family Guidance Center (FGC) authorized Terpreting Connection through its Flex Fund program to provide interpreting services for a hearing impaired Felix Class youth living in a residential group home. The youth's Individualized Education Program (IEP) authorized residential and therapeutic services and the interpreting service was necessary in order for the youth to benefit from the therapeutic, educational, and other related services.

The Provider submitted invoices late to the CAMHD FGC totaling 635 hours and amounting to \$27,534.12 (hourly rate of \$40.00, general excise tax, and mileage). At the time, staff was transitioning within the FGC and invoices eventually were lost. These invoices were later reproduced and delivered to the FGC. The processing of payment was further delayed when FGC staff tried to obtain indicated supportive documentation from the residential program where the youth lived and to resolve reporting discrepancies with the provider's invoice. An internal investigation was conducted and completed which identified what went wrong and a draft policy and procedure has been developed to assure a system-wide standardization of business practices in this matter. The basic steps are procuring services in accordance with State procurement regulations, stipulating in the contracts when providers are required to submit invoices and in what form, and enforcing regulation on payment for goods and services.

A considerable period of time had past and the Court found the State of Hawaii in "substantial compliance" with the Felix Consent Decree. Now the CAMHD must demonstrate it ability to sustain compliance without court-ordered authorizations powers to waive procurement regulations. This request is for payment because it took so long to pay the provider, and the provider is threatening to sue and demanding payment. To prevent this from happening again,

STATE OF HAWAII
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the CAMHD stopped using Flex Funds for interpreting services and is procuring services in accordance with Chapter 103F of the Hawaii Revised Statutes.

Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:

N/A

A description of the state agency's internal controls and approval requirements for the exempted procurement:

Because of the long delay to pay the provider for interpreting services, the CAMHD has developed policies and procedures to ensure high quality and accountable operations. To prevent this from happening again, the CAMHD is procuring and contracting all services in accordance with Chapter 103F of the Hawaii Revised Statutes.

This is a one time payment for interpreting services. Upon approval of this request, the CAMHD Public Health Administrative Office will process payment request through the Department of Health, Administrative Service Office to the Department of Accounting and General Services.

A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Chiyome Leinaala Fukino, M.D., Director
Michelle R. Hill, Director for Behavioral Health
Christina M. Donkervoet, Division Chief
T. Orvin Fillman, Public Health Administrative Officer

Direct questions to (name & position):

T. Orvin Fillman, Public Health
Administrative Officer

Phone number:

733-8370

e-mail address:

tofillma@camhmis.health.state.hi.us

This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes ☐ No ☐

I certify that the information provided above is to the best of my knowledge, true and correct.


Department Head Signature

AUG 13 2004

Date

Chiyome L. Fukino, M.D.

Director of Health

Typed Name

Position Title

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

☐

Approved

☐

Denied

Chief Procurement Officer

Date

cc: Administrator
State Procurement Office